



NATIONAL ASSOCIATION OF
CHAIN DRUG STORES

Statement of

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On behalf of

National Association of Chain Drug Stores (NACDS)

***Assessing Public Health and the Delivery of Care
in the Wake of Katrina***

**Hearing of the House Committee on Energy and Commerce
Subcommittee on Health
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Mr. Chairman and Members of the Subcommittees on Health and Oversight and Investigations. My name is Bob Dufour and I am Director of Pharmacy Professional Services with Wal-Mart. I am here on behalf of the National Association of Chain Drug Stores (NACDS). NACDS asked me to testify because of my involvement in helping to coordinate the chain pharmacy industry's response following Hurricane Katrina.

The purpose of my statement today is to help the Committee better understand the response of the community retail pharmacy infrastructure to the Hurricane Katrina disaster. We would also like to provide some recommendations that would help facilitate the role of community retail pharmacies in responding to future public health emergencies.

Retail Pharmacy Supply Chain Role in Public Health Emergencies

There are about 56,000 community-based retail pharmacies in the United States. There is a community retail pharmacy within 5 miles of 95 percent of the population in the United States. Therefore, retail pharmacies are an important point of entry into the health care system for most Americans.

Hurricane Katrina showed us that the existing community pharmacy infrastructure plays a vital role in providing medications and other health care products and services to individuals in their communities during public health emergencies as well as daily activity. Obviously, in many communities located within the Gulf Region, much of the health care infrastructure was devastated and will have to be rebuilt. We look forward to working with the Committee to ensure that this vital infrastructure is restored as more and more people return to their homes.

As evacuees from the Gulf Region were relocated to various places across the United States, pharmacists and pharmacies helped to respond in many different ways to meet the health care needs of these individuals. First, many pharmacy chains established mobile pharmacies in evacuee centers and other areas along the Gulf Coast so that they could provide prescription drug services and other health care items to these individuals. We all heard news and press reports about individuals who had been evacuated without vital health care supplies such as insulin and other prescription drugs, which are needed to sustain life and health. Pharmacies worked with physicians at these evacuee sites to assess each patient's health care status – given that they had little or no medical history with them – and get them started back on their prescription therapy.

Many community retail pharmacies also filled tens of thousands of prescriptions for evacuees that were relocated to smaller shelters or temporary housing. Many of the evacuees were low-income individuals who are Medicaid recipients in their home state, and obviously they did not have their Medicaid cards with them when they came to the pharmacy. Others had lost their insurance information, or had no insurance at all. We have been working with the Centers for Medicare and Medicaid Services (CMS) and host state Medicaid agencies to ensure coordination with their efforts.

Thus, as policymakers consider what might be changed in the future to make those responses to public health emergencies more effective, it is equally important to ensure that we maintain and strengthen infrastructures that are already in place that can respond quickly to emergencies within the communities in which people live. One of these infrastructures is the neighborhood retail pharmacy.

We all agree that the nation needs certain stockpiles of medications and other supplies readily available to ship to emergency centers or disaster zones. However, when it comes right down to it, there are many more community pharmacies and other types of local health care centers that are accessible and convenient to people in their communities. The retail pharmacy is at the heart of this distribution system, and each part of this system – from the drug manufacturers to the wholesalers to the pharmacies – responded in such a way to keep the flow of prescription medications moving to shelters and the pharmacies and ultimately to the evacuees.

The success of the prescription drug distribution infrastructure in serving the needs of evacuees is best demonstrated by the fact that, in a survey of evacuees in Houston shelters, 67 percent reported that there was not a time since they were evacuated that they did not have their prescription medications. States have been reassuring the pharmacy industry that they will do everything they can to see that pharmacies will be compensated at some point in the future for providing these services to their residents. We appreciate the efforts of the Bush Administration in granting a Medicaid 1115 waiver to the state of Texas to establish an uncompensated care pool to help pay providers like pharmacies for the care that they provided to evacuees with and without any form of prescription coverage. NACDS is hopeful that other states will adopt similar measures. In addition, it is important that the federal government consider developing a clear policy to address the reimbursement of health care providers for uncompensated care.

Organizing the Retail Community Pharmacy Response

To facilitate the response of community pharmacy to the Hurricane Katrina crisis, NACDS and other pharmacy-related associations and interests were in daily communication. These daily calls allowed us to ensure that we were quickly deploying resources where they were needed, without duplicating efforts. For example, pharmacies were adopting shelters, meaning that a chain pharmacy would take responsibility for providing pharmacy services to that shelter. This method allowed a quick coordinated response and prevented duplication of efforts to service the prescription needs of those housed at the shelters in Louisiana, Texas, and Mississippi.

A large number of chain pharmacies and members of the supply chain contributed as well.

- Wal-Mart helped to contact and organize contributions from brand and generic pharmaceutical companies to provide replacement medications for some of the products being dispensed by pharmacies to evacuees.
- Wal-Mart adopted 99 shelters to provide emergency medications.

- Wal-Mart worked to help supply oxygen to health care entities in the region that were running low on these vital supplies. Finally, some of our stores in the area helped to supply medications to nursing homes that were running out of these supplies.
- CVS/pharmacy said last Friday that it has completed its emergency pharmacy operations at the Astrodome in Houston, where it has been filling prescriptions for Hurricane Katrina victims, now that all evacuees have been relocated out of the stadium to other facilities. Utilizing delivery service from area CVS stores and two mobile pharmacy units on-site at the Astrodome, CVS reported that it filled more than 20,000 prescriptions for 7,000 people who took shelter in the Astrodome. CVS/pharmacy also deployed mobile pharmacy units to the Convention Center in Austin, Texas, and Kelly Air Force Base in San Antonio, Texas. It will continue to serve the prescription needs of Gulf Coast evacuees at local CVS locations.
- Walgreens offered to deploy as many mobile pharmacies as needed and provided hundreds of pharmacists to dispense prescriptions to evacuees.
- Rite Aid is continuing to fill emergency prescriptions for evacuees. The chain also set up temporary pharmacies at evacuee shelters.
- Many other pharmacy chains, such as HEB and Kroger, sent additional pharmacists to these shelters and the pharmacies that are located in the Texas and Louisiana areas. This was important, given that the demand for prescription services increased significantly in the areas where evacuees were relocated.
- Pharmaceutical wholesalers worked to ensure that needed products would remain in-stock for dispensing, and helped to transfer them to the shelters and the pharmacies.
- Groups representing health plans helped to provide specialty drugs to AIDS and cancer patients in the shelters.
- Individual pharmacists and technicians at a large number of chain pharmacies, as well as many independently-operated pharmacies, should be recognized for their efforts. Many worked day after day putting in long hours providing services to people in these shelters.

Working with State Public Health Agencies

NACDS and community retail pharmacy also worked with state government agencies to help ensure that the response to the crisis was as organized as possible. Boards of Pharmacy from affected and host states worked with us to approve the use of emergency policies and procedures to provide needed prescription drugs to evacuees.

For example, the combined efforts of the Louisiana Board of Pharmacy, Louisiana Medicaid Department, and Louisiana Department of Health and Hospitals were particularly instructive in coordinating a response to a crisis of this nature. These agencies immediately recognized a need to have a system that would provide timely access to medical supplies and pharmaceuticals. They recognized that the existing statewide network of community pharmacies and wholesalers could respond immediately and serve many of those in need.

A state-based wholesaler provided the majority of bulk shipments needed to shelters, hospitals, and other areas identified by this group. Wal-Mart also responded with two shipments from its

pharmacy warehouse. Many independent community pharmacists responded to the local needs of their community by providing emergency prescription medications.

The efforts of the state of Mississippi in helping to ensure that their evacuees could continue to obtain Medicaid services should also be noted. The Department asked out of state pharmacies to provide prescription services to Mississippi Medicaid recipients during this emergency. The Medicaid program would reimburse these pharmacies at the prevailing Medicaid rate. Mississippi Medicaid did allow out of state pharmacies to use an existing “in state” Medicaid provider number if the pharmacies were under common ownership.

Electronic Database of Evacuees’ Medical History and Prescription Needs

One lesson that this unfortunate event has taught us is that electronic medical records are valuable in providing continuous patient care to displaced individuals, especially in cases where important medical and prescription information is lost, possibly forever. Our industry coordinated efforts with federal, state, and local government, as well as other industry partners through daily conference calls and work groups. This constant communication allowed us to collect and integrate as much medical information as possible about the evacuees’ from various sources, including prescription files, and provide it to the health care professionals caring for those displaced by Hurricane Katrina.

For example, in response to this need to create a better database of information about evacuees’ prescription drug therapy, our industry has been working with HHS and the HHS’ Office of Health Information Technology, headed by Dr. David Brailer, to create a single database of close to 1,000,000 names from the region affected by Hurricane Katrina. By working together over about an eight-day period, several chain pharmacies, *SureScripts* and Florida-based *Gold Standard* built the database and designed the interface that all participating health care professionals could use. The database lets a pharmacist, physician, or other health care professional treating patients know what medications an individual had been taking over the past ninety days. This system has been established just for people in the areas affected by the hurricane.

A program that was initially piloted to a few chain pharmacies is now becoming available to growing numbers of pharmacies, doctors and other health professionals. With these records, the first question a physician asks -- “What prescription medications are you taking?” – can be answered accurately.

NACDS believes that this event has reinforced the need for a single national patient identifier number to help access those records. If the national patient identifier had been in use, then it is likely that it would have been easier and faster to match evacuees’ medical information with their prescription information. This would have helped deliver care to these evacuees, who in most cases did not have any of their medical information with them.

Recommendations to Enhance the Public Health Response to Emergencies

We have already made some recommendations about how we might improve the ability of community retail pharmacies to respond to public health emergencies. We believe that community retail pharmacy worked well with various state and federal agencies, although there are always ways that the efficiencies of these interactions can be increased. Here are some ideas:

Consider Federal Emergency Rx Claims System: The Federal government should consider establishing a system that would allow retail pharmacies to process prescription claims for evacuees through a special Federal prescription drug plan that would be used only in emergency situations. Many evacuees that filled prescriptions in our pharmacies were uninsured, or had prescription drug coverage, such as Medicaid and third party coverage, but did not have their identification cards, so pharmacies were not able to process their claims to the correct payers. While pharmacies filled prescriptions for these individuals, a Federal emergency system would help keep track of prescriptions that are being filled for evacuees, as well track the expenditures incurred by individuals for prescription drugs and other medical supplies.

In the event of an emergency, the plan could be activated via its Bank Identification Number (BIN) or routing number. This would allow emergency prescriptions to be filled at any pharmacy in the nation. The adjudication of these claims in real time would provide the government valuable information on the medications being dispensed, to whom, and in what volumes. Parameters could be preset for reimbursement, eligibility, and other important factors. We would be interested in working with HHS, FEMA and other relevant agencies on this issue.

Encourage Development of EMR Technology: Continue to encourage the development of electronic medical records, the use of the national patient identifier, and integrated databases that can be used both in delivery of medical care in ordinary times and extraordinary circumstances. We have a long way to go in developing the infrastructure necessary to support this system, but the disaster in the Gulf Region reinforces how important it is that the health care system maintains the ability for providers to deliver care to individuals wherever they might be.

Strengthen Retail Pharmacy Infrastructure: Please do everything you can to strengthen and maintain the existing community retail pharmacy infrastructure. The disaster in the Gulf Region reinforces the importance of community pharmacies, particularly since many of them are located in rural areas, are often the “first responders” to the health care needs of many individuals, both in emergencies and in normal times.

Post Specific Needs on Web: Fourth, the government may also want to consider a web-enabled program on which emergency responders could post specific needs. FEMA or state emergency response agencies could review these request, and respond with government resources, or determine how fast the private sector could respond to this request.

Mr. Chairman, again on behalf of Wal-Mart and the entire chain pharmacy industry, we appreciate the opportunity today to provide the Committee this testimony. Thank you.